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USSR Report

INTERNATIONAL ECONOMIC RELATIONS

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9 April 1985

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AFRICA

PROTOCOL FOR ECONOMIC, TECHNICAL COOPERATION WITH MOZAMBIQUE

Moscow SOBRANIYE POSTANOVLENIY PRAVITEL'STVA SSSR in Russian No 9, 1984 pp 172-174

[Protocol to the 18 November 1980 Agreement Between the Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of Mozambique on the Development of Economic and Technical Cooperation, signed 10 August 1984]

[Text] The Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of Mozambique,

proceeding from the friendly relations that exist between the Union of Soviet Socialist Republics and the People's Republic of Mozambique, striving for the development of economic cooperation between the two countries,

governed by the provisions of the 12 February 1976 Agreement Between the Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of Mozambique on Economic and Technical Cooperation and the Long-Term Program of Economic and Commercial Cooperation Between the Union of Soviet Socialist Republics and the People's Republic of Mozambique for the Period 1981-1990 that was signed 20 May 1981,

have agreed to the following:

Article 1

The Government of the Union of Soviet Socialist Republics, meeting the wishes of the Government of the People's Republic of Mozambique, expresses agreement to provide assistance to Mozambique:

in the development of fishing, by the delivery in the period 1986-1990 of three medium-tonnage fishing vessels, fishing equipment and spare parts for the first two years of the ships' operation, as well as by the creation of two or three support centers for providing assistance to fishing cooperatives and independent fishermen, with the necessary production and technical facilities;

in the performance of work to draw up maps of minerals in the PRM on a scale of 1:1,000,000.

Article 2

Payment of Soviet organizations' expenses connected with the performance of design and survey work, the drafting of mineral maps, and deliveries from the USSR of vessels, fishing gear, spare parts, equipment and materials, and the assignment to the PRM prior to the end of 1985 of Soviet specialists for the establishment of the centers stipulated in Article 1 of this Protocol will be made by the Government of the People's Republic of Mozambique using credit provided for in the 16 March 1984 Soviet-Mozambiquan Protocol to the 18 November 1980 Agreement on the Development of Economic and Technical Cooperation.

Article 3

Competent Soviet organizations will continue until the end of 1985 the assignment to the People's Republic of Mozambique of Soviet specialists provided for by Soviet-Mozambiquan agreements on economic and technical cooperation and contracts, with payment by the Mozambiquan Side of Soviet organizations' expenses using the credit provided for in the 16 March 1984 Soviet-Mozambiquan Protocol to the 18 November 1980 Agreement on the Development of Economic and Technical Cooperation.

Article 4

Prior to the beginning of work, the USSR Foreign Trade Bank and the Bank of Mozambique will, if necessary, make the appropriate changes in technical procedures for the settlement of accounts and maintenance of accounts with respect to credit stipulated in the aforementioned 16 March 1984 Soviet-Mozambiquan Protocol to the 18 November 1980 Agreement on the Development of Economic and Technical Cooperation.

Article 5

Appropriate Soviet and Mozambiquan organizations will conclude contracts defining the amounts, time periods, prices and other terms for the provision of assistance specified in Article 1 of this Protocol.

Article 6

In connection with the request of the Government of the People's Republic of Mozambique, the provision of assistance in the establishment of one mine at the Moatize coal deposit, as stipulated in the 18 November 1980 Soviet-Mozambiquan Agreement on the Development of Economic and Technical Cooperation, is excluded from the projects of Soviet-Mozambiquan economic and technical cooperation.

Article 7

In all other matters not specified in this Protocol, appropriate provisions of the 12 February 1976 Soviet-Mozambiquan Agreement on Economic and Technical

Cooperation, the 18 November 1980 Agreement on the Development of Economic and Technical Cooperation, and the Protocol signed 16 March 1984 to the aforementioned 18 November 1980 Agreement will be in force.

Article 8

This Protocol takes effect on the day of its signing.

Done in Maputo 10 August 1984 in two original copies, each in Russian and Portuguese, with each text having equal force.

for the government
of the Union of Soviet
Socialist Republics

A. Moskalev

for the government
of the People's Republic
of Mozambique

[J.] de Almeida

8756

CSO: 1825/ 49

CEMA/EASTERN EUROPE

CEMA COUNTRIES' 1985 ECONOMIC PLANS OUTLINED

Moscow EKONOMICHESKAYA GAZETA in Russian Nos 1, 2 and 3, Jan 85

/Article by A. Kalashnikov: "CEMA Countries: Plans for 1985"/

/No 1, Jan 85 p 20/

/Text/ Bulgaria

In the new year, as compared with 1984, Bulgaria's national income will increase by 4.1 percent, that is, slightly more than envisaged in the five-year plan. The entire increase in the national income should be obtained through a rise in public labor productivity. The ratio between accumulation and consumption in the national income will be 24.8:75.2.

The plan for 1985 pays special attention to investment and scientific and technical policy. In the current year the total volume of capital investments will be 8.65 billion leva, of which 6.3 billion are allocated for the sphere of material production and 2.35 billion, for the nonproductive sphere. Conditions are created for the construction of both large projects and small and medium-size enterprises in basic national economic sectors at a modern technical level.

Plans are made to allocate 734 million leva for scientific-research and engineering-design activity, which is 40 percent more than in 1980.

Improvement in the sectorial and intrasectorial structure of industrial production will continue.

The output of industry--the leading sector of the national economy of the People's Republic of Bulgaria--will annually increase by 5.2 percent. A significant increase in coal extraction, mainly lignite, that is, of 14.2 percent, is envisaged. The production of electric and thermal power will annually increase by 3.5 percent. In nonferrous metallurgy output will rise by 7.5 percent.

High rates of development of machine building, whose output will increase by 11.6 percent, are an expression of advanced structural changes in the Bulgarian industry. The intrasectorial structure of this sector is being improved.

Priority is given to the production of products with a low metal intensive-ness and highly complicated articles, primarily products, in whose production the People's Republic of Bulgaria specializes within the framework of socialist economic integration (for example, computer equipment, office equipment, equipment for the food and gustatory industry).

The volume of production in light industry will increase by 4.2 percent.

In agriculture output will increase by 3.2 percent. The policy of intensification of agriculture, mainly as a result of an accelerated development of irrigated farming, will continue. About 11 million tons of grain are to be produced.

In 1985 the per-capita real income will increase by 3 percent. Public consumption funds will rise by 5.1 percent. The domestic market will receive goods worth 880 million leva more than during the preceding year and the total volume of retail trade turnover will reach 15.26 billion leva.

The construction of 78,900 new apartments is envisaged. The conditions necessary for the further development of public health are ensured.

Foreign economic relations will develop mainly on the basis of expansion of the process of specialization and cooperation in production with CEMA countries.

Hungary

The republic's produced national income is to be increased by 2.3 to 2.8 percent and its utilization within the country for consumption and accumulation, by 1.0 to 1.5 percent.

Ensuring the further improvement in the country's balance of payments, strengthening the internal balance of the national economy and stopping the process of reduction of capital investments and real wages through an expansion of the volume of production, as well as increase in the efficiency of management and competitiveness of Hungarian products, are the most important tasks of the plan for Hungary's social and economic development for 1985.

In 1985 capital investments in the socialist sector of the national economy will total 193 to 195 billion forints. Their bulk will be allocated for a rise in the technical level and technological standard of production, as well as for the development of the processing sectors of industry and the production infrastructure. When investment credits and subsidies are allocated to Hungarian enterprises, priority will be given to capital investments allocated for an expansion of the country's export base, as well as a reduction in the consumption of materials and power.

Industrial production is to be expanded by 3 percent. The output of products for export will grow at outstripping rates. Radical measures to curtail unprofitable types of economic activities are envisaged.

The gross volume of agricultural output is to be expanded by 1 percent. The task of increasing the output of grain crops to 15.5 million tons has been set for plant growing as the main task and of strengthening and developing the advances made, for animal husbandry.

New tasks of saving fuel and energy resources in the national economy connected with the further implementation of the program for streamlining power facilities have been set.

The consumption of goods and services by the population is to be increased by 1.0 to 1.5 percent. At the same time, the task of retaining the level of provision of the trade network with commodity resources, as well as maintaining the balance of the population's monetary income and expenditure, has been put forward. The level of retail prices will rise by no more than 7 percent, including by 3 percent, through the planned centralized rise in prices of basic consumer goods and domestic services.

The population's real income, as a whole, will increase by 1.5 to 2.0 percent. The realization of planned indicators in the area of economic growth will make it possible to increase the average wages of workers and employees by 7.0 to 7.5 percent.

A total of 74,000 to 75,000 apartments are to be built.

The export of the Hungarian People's Republic is to be increased by 5 to 6 percent and import, by 2 to 3 percent. Hungary will intensify planned economic cooperation and expand the trade turnover with the Soviet Union and other countries of the socialist fraternity.

German Democratic Republic

The republic's produced national income will annually increase by 4.4 percent, the volume of industrial production at enterprises of central subordination, by 4.3 percent and net output, by 8 percent. As during previous years, the bulk of the increase in industrial production will be obtained as a result of the further growth of labor productivity, whose level in industry is to be increased by 7.1 percent (on the basis of net output).

Production in sectors determining scientific and technical progress will expand at higher rates. As compared with 1984, the output of machine tool building will increase by 6 percent, of the electronic and electrical engineering industry, by 7.7 percent and of general, agricultural and transport machine building, by 5.4 percent.

The output of consumer goods will increase by 4.7 percent and reach 73.8 billion marks.

A total of 10.8 billion marks are to be spent on the development of science and technology in the new year. This will comprise 5 percent of the country's national income. A total of 493 million hours of work time are to be annually saved through measures for the acceleration of scientific and technical progress.

The production of new types of products in industry will reach 86.2 billion marks. The output of articles with the highest emblem of quality will rise by 20.1 percent. Production consumption per unit of the national income will drop by 2.1 percent, specific expenditures of energy will be reduced by 4 percent and the consumption of rolled steel products in machine building will decrease by 7.8 percent and of cement in construction, by 6 percent. As a result, production costs per 100 brands of industrial commodity products will decline by 2.6 percent.

A total of 56 billion marks have been allocated for the development of the material and technical base of various economic sectors. The bulk of capital investments will be assigned for the modernization and reconstruction of existing enterprises. The number of industrial robots and manipulators used in the national economy will increase by 13,500 and their total number will reach 56,500.

Crucial tasks have been set for agricultural workers. The output of grain crops will reach 10.7 million tons with a yield of 41.9 quintals per hectare. The production of livestock products will also rise.

Plans are made to build and modernize 203,000 apartments, including the total number of new apartments will be about 118,000. This will make it possible to improve the housing conditions of more than 600,000 people. A total of 15 billion marks have been allocated for new housing construction.

The population's net monetary income and the volume of retail trade will increase by 4 percent. The production of new types of consumer goods will rise by 17.5 percent.

The foreign trade turnover of the German Democratic Republic will increase by 8 percent mainly through a further intensification of cooperation with the Soviet Union and other socialist countries.

Poland

An increase of 3 to 3.5 percent in the produced national income and of 4 to 4.5 percent in the volume of industrial output is envisaged in 1985.

The main emphasis in the plan is placed on the restoration of a balance of the national economy, in connection with which provision is made, in particular, to retain the volume of capital investments in 1985 at the level of last year.

The plan for the coming year also determines the methods and levers of its realization and the principles of their application. They are aimed at attaining an increase in production through a rise in labor productivity and a more economical expenditure of raw materials, fuel and power. It is stressed that the coordination of enterprise plans with the needs of the entire national economy is the necessary condition for the attainment of the goals envisaged in the plan.

Higher rates of increase in output in machine building (4.8 to 5.7 percent), chemistry (7.8 percent) and light industry (6.2 percent) are envisaged.

The extraction of hard coal is to be maintained at the 1984 level, whereas the extraction of brown coal will rise by 10.4 percent. Petroleum refining will increase by 3.9 percent.

The good harvest of 1984 is to be used for the beginning of the process of restoration of the cattle and hog population in 1985, as a result of which gross livestock output can increase by 2.4 to 3.6 percent. In plant growing plans are made to attain this year indicators of gross output and yield of basic agricultural crops not below the average indicators in recent years.

The further expansion of foreign trade and other forms of integration cooperation with the countries of the socialist camp, primarily with the Soviet Union, is envisaged. In 1985, as compared with last year, the Polish export to socialist countries (in current prices) will increase by 7.1 percent and import from these states, by 8.5 percent.

In 1985, as compared with 1984, the total expenditures on the performance of scientific research and experimental design studies will rise by 31 percent and reach billion zlotys, which will comprise approximately 1.8 percent of the consolidated national income.

During the coming year an increase in deliveries of goods and services to the domestic market will become the most important factor balancing the growth of the population's purchasing power. Deliveries of industrial consumer goods will increase by 5.8 to 6.1 percent, as compared with the 1983 level, and of foodstuffs, by 1.8 to 2.1 percent.

As a result of the decisions that are to be adopted during 1985, retail prices will rise by approximately 9 percent.

A total of 986 billion zlotys are to be allocated for social needs, including 721 billion, for the payment of old-age and disability pensions, in order to prevent a deterioration in the living conditions of the population groups on which an increase in prices has the greatest effect.

Plans have been made to build 190,000 apartments, including 130,000 with state funds and 60,000 with the population's own funds.

/No 2, Jan 85 p 20/

/Text/ Cuba

The plan for social and economic development for 1985 envisages an increase of 5 percent in the republic's gross national product as compared with 1984. Industrial production will annually rise by 6 percent. Up to 80 percent of the increase in industrial output will be obtained through a rise in labor productivity.

In the plan special attention is paid to the development of export sectors of the national economy and to the realization of such major projects as an atomic electric power station and a petroleum refining plant in Cienfuegos, a number of thermal electric power stations and a nickel combine in Punta-Gorda, a supertanker port in Matanzas and others. Six food industry enterprises will be built.

The fulfillment of the tasks set will make it possible to improve workers' social security. Several hospitals and about 20,000 new dwellings will be built.

As one of the important national economic tasks the plan mentions the further decrease in foreign debts, which have arisen mainly owing to the crisis at the world capitalist sugar market and the discriminatory policy of a number of Western powers with respect to Cuba. The plan states that, as the sugar industry, as well as other export sectors, are developed better and as a more carefully thought out policy of capital investments is implemented, the solution of the problem of foreign financing will be more successful.

During the new year, as compared with the preceding one, Cuba's foreign trade turnover is to be increased by 7 percent. The republic's foreign economic relations with the countries of the socialist camp will be strengthened even more during the coming year. The fulfillment of obligations concerning deliveries of sugar, nickel and citrus crops--main articles of Cuban export--to fraternal countries is considered the paramount national economic task.

In his speech at the session of the National Assembly, which adopted the plan for 1985, Comrade Fidel Castro described the rates of social and economic growth of the Republic of Cuba during the current five-year plan as "indeed, very good." The Cuban leader noted that with last year's plan for an increase in the country's gross national product at the rate of 4.0 to 4.5 percent the real increase comprised 7.4 percent, as a result of which during the 1981-1984 period the average annual increase in this indicator reached 8 percent. He said that not a single Latin American country could boast about such results of economic development. Cuba is the only country in the Western hemisphere, in which there is no poverty, all children go to school and the population has a high level of food supply and excellent medical services and enjoys other social benefits.

If we are now in a much more advantageous situation as compared with other countries in Latin America, F. Castro said, we are greatly indebted for this to socialist countries, primarily the Soviet Union. "Cooperation with the Soviet Union," he stressed, "is the main support of our present and future."

Mongolia

In 1985 the production of the national income will exceed last year's level by 6 percent. National labor productivity is to be increased by 3.5 percent, which will ensure no less than 60 percent of the increase in the national income.

A total of 4.72 billion tugriks of capital investments are to be allocated for the development of the republic's national economy, of which almost 70 percent, for material production sectors. Fixed capital valued at 6 billion tugriks is to be commissioned in 1985. As compared with 1984, fixed capital will increase by 14 percent.

The gross output of agriculture is to be annually increased by 12 percent. A total of 780 million tugriks of capital investments will be allocated for the sector. The output of animal husbandry--the main sector of agriculture--will rise by 11 percent and of farming, by 26 percent as compared with the average annual level of 1981-1984. Feed production will increase, areas of irrigated pastures will expand, livestock barns will be built, pedigree work will be improved and the yield of agricultural crops will rise.

The gross output of industry should exceed the 1984 level by 7.5 percent, including the output of the power industry, by 20.3 percent, of the fuel industry, by 13.5 percent and of building materials, by 14.5 percent. The development of industry will be ensured by capital investments in the amount of 1.6 billion tugriks, of which 42 percent are allocated for the strengthening of the republic's fuel and energy base and 28 percent, for an increase in the production capacities of the ore mining industry. Coal extraction is to be increased to 6.3 million tons and electric power production, to 2.3 billion kWh.

A total of 9,000 graduates of higher and secondary specialized educational institutions and 10,000 skilled workers will be assigned to the country's national economy.

The plan pays much attention to problems of improving the qualitative indicators of output.

An important place is assigned to problems of saving supplies, raw materials and fuel. The plan's assignment envisages a saving of material resources in the amount of 62.8 million tugriks.

A significant volume of capital construction will be fulfilled in the republic in 1985. At the same time, principal attention is concentrated on start-up and the most important projects.

Workers' material well-being and cultural level will rise. The population's real income will increase by 4.7 percent. The population's supply with foodstuffs and industrial durable goods for cultural and general purposes will be improved significantly.

More than 240,000 square meters of living space are to be built and put into operation.

Mongolia's foreign trade turnover will increase by 3.7 percent as compared with 1984. The scale of economic cooperation of the Mongolian People's Republic with the Soviet Union and other CEMA countries will expand.

Romania

In 1985, as compared with 1984, the republic's gross national product is to be increased by 7 percent and the produced national income, by 10 percent.

Industry will develop at outstripping rates. The volume of gross industrial output will increase by 7.5 percent. The plan envisages the further improvement in the structure of industrial production, primarily in the direction of an increase in the proportion of the most advanced sectors. Much attention is also paid to the further development of the country's fuel and power complex and measures for a strict observance of production standards of expenditure of the most important types of fuel, raw materials and supplies are envisaged. Electronic and electrical engineering automation equipment, as well as computer hardware, worth 10.2 billion lei, as well as products of precision mechanics and optics and hydraulic and pneumatic equipment worth 14.1 billion lei, should be manufactured in 1985. Industrial technological equipment worth 51.9 billion lei is to be produced. The output of tractors should reach 95,000 units and of passenger cars, 190,000.

A significant increase in production volumes is also planned for the chemical industry--one of the major sectors of Romania's modern industrial complex. In particular, the production of chemical fertilizers will reach 3,920,000 tons and of synthetic rubber, 211,000 tons.

A significant rise in the qualitative indicators of economic development is envisaged. Labor productivity in the republic's industry calculated on the basis of industrial commodity output will increase considerably. Expenditures on commodity output worth 1,000 lei will drop by 6.8 percent.

The volume of gross agricultural output is to be increased by 6.0 to 6.8 percent, including of net agricultural output, by 9 to 10 percent.

The total volume of capital investments in the national economy will rise by 8.3 percent as compared with the preceding year. The plan envisages the commissioning of 250 important industrial and agrozootechnical projects.

The realization of the plan's assignments for the development of material production will make it possible to ensure the further growth of real wages.

The plan envisages the further activation of Romania's participation in the international division of labor. The country's foreign trade turnover will exceed last year's level by 15 percent. As during previous years, the intensification of cooperation with CEMA countries and other socialist states will be the most important direction in the development of Romania's foreign economic relations.

Czechoslovakia

The national economic plan for 1985 envisages an increase of 3.2 percent in the national income. A total of 90 percent of the increase in the national income should be ensured through a rise in labor productivity.

The further intensification of the national economy will lower the proportion of production consumption in the national product by 0.5 points, or approximately by 7 billion korunas. The consumption of primary sources of energy per unit of the produced national income will be reduced by 3 percent, which exceeds the average annual indicator during the first 4 years of the current five-year plan twofold.

In 1985 capital investments in the national economy will total 162 billion korunas, which exceeds the level envisaged in the five-year plan. Out of this amount almost 63 percent of the funds are allocated for production sectors, transport and communication. A total of 92 national economic production projects and 20 nonproduction projects are to be put into operation.

The volume of industrial production is to be increased by 3 percent. Advanced structural transformations in this sector of the national economy will continue. Processing industry sectors will develop at outstripping rates. Their development should ensure 88 percent of the increase in industrial output. The volume of production in heavy machine building will rise by 5.3 percent, in general machine building, by 6 percent and in the electrical engineering industry, by more than 10 percent. Output in the chemical industry should increase by 3.3 percent, primarily through a better utilization of petroleum and other types of raw materials. Construction of a petroleum refinery will begin to provide more thorough petroleum refining.

In accordance with the energy concept of national economic development the extraction of brown coal will begin to decline, while there will be an increase in the output of electric power at Jaslovske Bohunice and Dukovany atomic electric power stations, where new power units will be commissioned.

The output of consumer goods will increase by 2.4 percent.

In agriculture, whose gross output increased by 8 percent in 1983-1984, on the whole, the attained level is to be maintained. Plans are also made to develop feed production more efficiently and to ensure a higher productivity of animal husbandry and a general intensification of agriculture.

The population's monetary income should increase by 3.8 percent--up to 420 billion korunas. Personal consumption will rise by 2.2 percent and public consumption, by 5.2 percent, which is higher than envisaged in the five-year plan. As compared with the preceding year, retail trade turnover will increase by 4 percent, or by 12 billion korunas.

Plans have been made to make 107,000 apartments ready for occupancy, which is 16,000 more than last year. Housing conditions for approximately 300,000 people will be improved.

The volume of trade turnover with socialist countries will annually increase by 4.7 percent and reach 253 billion korunas. Trade with the Soviet Union, which accounts for 61 percent of the trade turnover of the Czechoslovak Socialist Republic with socialist countries, will expand further.

/No 3, Jan 85 p 20/

/Text/ Vietnam

As before, the concentration of efforts on the development of agriculture, increase in the production of consumer goods, strengthening of the export base and stabilization of the population's standard of living remains the basic task in the field of the economy of the Socialist Republic of Vietnam during this year.

In 1985 the republic's national income should increase by 6.9 percent, as compared with 1984, and the gross output of agriculture and industry, by 7.8 and 6.7 percent respectively.

The production of rice and other food crops (in terms of raw rice) will increase by 8.5 percent. Industrial crop areas will annually increase by 24 percent.

As compared with last year the stock of buffalos will increase by 4 percent and of cows, bulls and hogs, by 8 percent. The catch of sea fish is to be increased by 4 percent.

The output of electric power will increase by 9 percent, extraction of hard coal, by 14 percent and production of rolled steel products, by 33 percent, of phosphorus fertilizers, by 10 percent, of cement, by 12.7 percent, of cotton and silk fabrics, by 9 percent, of paper, by 12 percent, of sugar, by 12 percent, of cigarettes, by 20 percent, of tea, by 8 percent and of condensed milk, by 56 percent.

On the whole, the volume of capital investments in the national economy will be maintained at last year's level. At the same time, allocated funds will be concentrated on the construction of key projects in industry and transport, as well as on the strengthening of the material and technical base of agriculture and expansion of plantations of such crops as hevea, tea and coffee.

Labor productivity in state industry should increase by 6 percent, in construction, by 8 percent and in transport, by 5 percent.

State procurements and purchases of food crops are to be increased by 24 percent. The sale of consumer goods to the population will annually increase by 20 to 30 percent. The volume of housing construction will expand by approximately 3 percent.

Work on the distribution of labor resources will continue. Plans are made to assign at least 6 percent more able-bodied people to new economic regions than last year.

General and specialized education will be developed further. During the 1985-1986 school year the number of students in general educational schools will increase by 2 percent as compared with the preceding school year. In 1985 various forms of the system of training of specialists and skilled workers will involve 8 percent more students than in 1984.

The country's export is to be increased by 11 percent. At the same time, the export of agricultural goods and sea products will grow at higher rates.

The task of intensifying work on improving forms of cooperation with other CEMA countries and increasing its efficiency has been set.

11439

CSO: 1825/48

CEMA/EASTERN EUROPE

TRADE PROTOCOLS WITH HUNGARY, POLAND SIGNED

Moscow EKONOMICHESKAYA GAZETA in Russian No 52, Dec 84 p 20

[Text] As the result of successfully concluded trade negotiations between government delegations of the USSR and the Hungarian People's Republic, a protocol on commodity turnover for 1985 was signed in Moscow on 14 December.

In the preparation of the protocol, the two sides were guided by the understandings reached at the meetings of the leaders of the fraternal parties and countries, as well as by the decisions of the Economic Conference of the CEMA member countries at the highest level.

The protocol takes into account the obligations of the two sides arising from the agreement on commodity turnover and payments between the USSR and the Hungarian People's Republic for the period 1981-1985 and from other economic agreements, and strengthens the positive results of the mutually advantageous economic cooperation attained in the course of the implementation of the Comprehensive Program for the Further Intensification and Development of Socialist Economic Integration of the CEMA Member Countries and the long-term program of the development of specialization and production cooperation between the USSR and the Hungarian People's Republic.

The volume of mutual trade in 1985 according to the signed protocol will exceed 9 billion rubles.

On the basis of the expansion and intensification of the production cooperation, a further increase in mutual deliveries of modern machine building products will take place during the next year.

Deliveries from the USSR to the Hungarian People's Republic will include metal-cutting machine tools, electrotechnical and power-generating equipment, electronic computers, mining equipment, excavators and road construction machines, tractors, trucks and cars, supplementary products, and buses.

Deliveries of buses, gantry and floating cranes, electronic computer equipment, equipment for communications, the food and chemical industries, and painting equipment occupy a significant place in the export of the Hungarian People's Republic to the USSR.

The Hungarian side supplies equipment and extends technical assistance in the modernization and reconstruction of the Likinskiy Bus Plant, the Automobile Plant imeni Leninskiy Komsomol, and a number of enterprises of the light and food industry in the Soviet Union.

In 1985 deliveries of basic types of fuel and raw material commodities, which play an important role in securing the well-planned development of the development of the national economy of Hungary, including oil and oil products, natural gas, electric power, ferrous and nonferrous metals, timber, and cotton, will continue from the USSR.

Cooperation is continuing in the sphere of the production of goods for the agroindustrial complex. The deliveries, from the Hungarian People's Republic, of poultry-breeding equipment, machines for the cultivation of crops and the struggle against pests in agriculture, machines for the care of grapes, and combiners for the harvesting of green peas, will be expanded, and the deliveries of complete stations for the technical maintenance and repair of agricultural equipment will begin. Receiving mineral fertilizers and initial chemical products for the production of pesticides, Hungary will deliver a significant quantity of chemical plant protection means to the USSR during the next year.

The protocol provides for an increase in the mutual deliveries of consumer goods. Household refrigerators, vacuum cleaners, washing machines, movie camera equipment, watches, bicycles and mopeds will be supplied from the USSR to the Hungarian People's Republic. Sewn and knitted goods, leather footwear, leather haberdashery, furniture, medicines, and fabrics will be received in the Soviet Union from Hungary.

In the course of the negotiations on the preparation of the protokol, agreement was reached concerning the continuation of work in regard to the expansion of commodity turnover between the USSR and the Hungarian People's Republic in 1985.

The signed document, in meeting the mutual interests of the two sides, will create a solid basis for the further development of Soviet-Hungarian cooperation.

The negotiations took place in an atmosphere of friendship and comradely mutual understanding.

The protocol was signed, upon authorization of the USSR government, by the minister of foreign trade, N. S. Patolichev, and, upon authorization of the government of the Hungarian People's Republic, by the minister of foreign trade, P. Veresh.

(Sh. Raynai), the ambassador of the Hungarian People's Republic in the USSR, was present during the signing of the protocol.

* * *

Trade negotiations between government delegations of the USSR and the Polish People's Republic were concluded in Moscow on 14 December and a protocol on

commodity exchange and payments for 1985 was signed. The volume of commodity turnover between the two countries will come to 11.7 billion rubles and will increase by 9 percent by comparison with 1984.

As before, the Soviet Union occupies first place in the foreign trade of the Polish People's Republic, and Poland is in fourth place among the trading partners of the USSR. In the preparation of the protocol, the two sides were guided by the understandings reached at the meetings of the leaders of the fraternal parties and countries, as well as by the decisions of the Economic Conference of the CEMA member countries at the highest level.

Further development of specialization and production cooperation, above all in machine building, is envisaged in 1985. In connection with this, there is an increase in the delivery of machines and equipment. Soviet metal-cutting machine tools, mining and underground transportation equipment, road construction machines, tractors and agricultural equipment, trucks and cars, and other equipment will be exported to Poland.

In their turn, projected imports from Poland include fishing vessels and ship equipment, machine tool and press-forging equipment, complete equipment for the chemical industry, power-generating equipment, electrical engineering equipment, instruments, and means of railway rolling stock and motor vehicle transportation. Various types of equipment for underway projects and new construction projects of the current five-year-plan occupy a large place in Polish deliveries.

As previously, the deliveries from the Soviet Union will satisfy a significant part of the import requirements of Poland with respect to basic fuel and raw material commodities: Oil and oil products, natural gas, iron-containing raw material, pig iron, ferrous and nonferrous metals, manganese and chromium ores, ferroalloys, chemical goods, timber, cellulose, cotton, and many others. Poland will supply the USSR with bituminous coal, sulphur, lacquers and paints, and chemicals.

The protocol envisages the expansion of cooperation in the sphere of the production and deliveries of agricultural machines and commodities for the agro-industrial complex, in particular for the implementation of the Food Program. Plans also call for the increase of the mutual deliveries of consumer goods.

Proceeding from the aspiration to extend economic assistance and support to Poland, the Soviet Union, as in prior years, is granting credit to Poland for balancing their mutual accounts according to the protocol for 1985.

The new Soviet-Polish Trade Protocol will create a solid foundation for the all-round development of the national economic cooperation of the two countries. The fulfillment of the obligations with respect to the mutual deliveries of commodities, envisaged by the protocol, will be conducive to the implementation of the national economic plans of the USSR and the Polish People's Republic, as well as to fuller satisfaction of the growing demands of the population of the two countries.

The negotiations took place in an atmosphere of mutual understanding and friendly cooperation.

The protocol was signed by the minister of foreign trade, N. S. Patolichev, and the minister of foreign trade of the Polish People's Republic, T. Nestorowicz.

(TASS)

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CEMA/EASTERN EUROPE

HUNGARY'S TRADE WITH CEMA, WEST EUROPE REVIEWED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian (signed to press 14 Sep 84) No 9, 1984 pp 25-28

[Article by Peter Veress, HPR [Hungarian People's Republic] foreign trade minister: "Trade Between the HPR and CEMA Member Nations"]

[Text] The economic summit conference of CEMA member nations was convincing evidence of the vital necessity and effectiveness of the multilateral economic relations of socialist countries.

The party and government of the Hungarian People's Republic have always devoted particular attention to economic cooperation with CEMA member nations. This is entirely natural because, first, CEMA member nations satisfy the bulk of our needs for fuel, energy and raw materials and also receive a significant quantity of [our] machinery and equipment. Second, CEMA member nations are an important market for Hungarian machine building, agricultural and food products and for manufactured consumer goods.

Annual trade between the HPR and CEMA member nations has already reached the 13 billion ruble mark. This is the result of their economic cooperation over a period of many years and the ever increasing degree of socialist economic integration. We are keenly interested in the further development of our mutually advantageous cooperation and we will make every effort to see to it that the dynamics of our reciprocal trade does not diminish. Naturally, this will depend not only on our intentions but also on the material and economic prerequisites that may arise.

The structure of our trade which has formed over the period of 3 decades reflects the natural and economic conditions of Hungary and its partners, their aspirations for the development of mutually advantageous economic cooperation, and the results of the socialist division of labor (Table 1).

When we examine the formation of the structure of trade on the basis of current prices, we must consider the fact that the prices of fuels [energonositeli] have changed perceptibly thereby altering the terms of trade and gradually devaluating Hungarian exports. As we know, the twofold rise of oil prices in the seventies brought all world market prices into flux and altered the terms of trade at the same time. This in turn has also been

reflected in the reciprocal trade prices of CEMA member nations which, as a result of existing pricing principles and methods have reflected--albeit slowly and with a certain amount of delay--the changes that are taking place in international trade. In connection with the existing structure of Hungary's foreign trade with CEMA member nations, the rise in contract prices on imports has significantly exceeded the rise in prices on exports thereby substantially worsening the terms of trade for the HPR starting in 1975.

Table 1. Structure of HPR Trade in 1980-83 (in %, in current prices)

Commodity group	Imports				Exports			
	1980	1981	1982	1983	1980	1981	1982	1983
Energy carriers [Energonositeli]	25.4	28.0	30.1	30.1	0.5	0.7	0.8	0.7
Supplies and spare parts	34.2	35.1	34.4	35.6	22.2	23.8	22.7	23.9
Machinery and equipment	27.4	22.7	22.4	22.4	46.3	42.4	42.5	43.5
Manufactured consumer goods	10.5	11.0	10.6	9.9	17.0	17.8	18.6	16.8
Agricultural and food products	2.5	3.2	2.5	2.0	14.0	15.3	15.4	15.1

After analyzing world prices at the beginning of the eighties and forecasts of price changes, we can assume that export and import prices will be more favorable to us by the mid-eighties thereby possibly putting an end to the worsening terms of trade for Hungary.

Our trade protocol commitments with CEMA member nations for 1983 have for the most part been fulfilled. Our partners have observed their delivery commitments more punctually.

Trade protocols for 1984 were signed before the end of the year preceding the delivery year with all European socialist countries. The 1984 protocols envisage a nine percent increase in exports in current prices and a four percent increase in imports compared compared with actual trade in 1983. In the course of preparing the protocols, we and all our partners agreed to search constantly for possibilities for expanding trade beyond the already established limits.

In order to resolve the problems confronting us in 1984, we consider it essential that foreign trade activity gain the required tempo in good time. It is therefore important that foreign trade organizations sign the contracts in the first quarter and that deliveries be made without interruption.

Trade With the USSR

Hungary's principal trade partner is the Soviet Union which accounts for roughly one-third of our country's total foreign trade. Hungary occupies fifth place in the USSR's foreign trade.

According to the long-term Hungarian-Soviet agreement on trade and payments in 1981-85, trade between our countries during the 5-year period will total more than 30 billion rubles, which is more than the volume for the preceding five-year plan period. The volume and structure of trade indicated in the agreement are evidence that cooperation with the Soviet Union and the growth of foreign trade on this basis are of decisive importance to Hungary and constitute the main prerequisite to the development of its economy. The reciprocal delivery commitments specified in the agreement significantly promote the fulfillment of the national economic plans of both countries.

The structure of trade between the HPR and the USSR reflects characteristic features of our country's natural resources. We predominantly export the products of our manufacturing industry. Our primary imports are electric power and other energy carriers [energonositeli], raw materials, semifabricated goods, and certain types of machinery and equipment. Deliveries of the most important types of energy carriers [energonositeli] and raw materials required by Hungarian industry are especially important for the development of the Hungarian economy during the current five-year plan as well.

Imports of machine tools, excavators, roadbuilding machinery, metallurgical equipment, and foundry equipment from the USSR supply Hungarian industry with modern technology. Hungary purchases significant quantities of computers and other types of electronic computer equipment, various kinds of farm tractors and harvesters, trucks, and the highly popular Lada passenger cars.

Among the consumer goods that are delivered from the Soviet Union, we should mention home refrigerators, vacuum cleaners, washing machines, and portable color television sets which first appeared on the Hungarian market in 1983.

The Soviet Union is an important market for the HPR's products. Exports to the USSR include virtually all groups of Hungarian industrial and agricultural products.

Machine building products play a significant role in Hungarian exports. Ikarus buses are the principal item of export. Hungary also exports diesel trains, floating cranes and tugboats to the USSR.

The HPR exports a considerable volume of communications equipment ranging all the way from ultrashort wave radio stations and translators to automatic telephone exchanges. Hungarian-made instruments are in wide use in research institutes in the Soviet Union, in the production of radios and television sets, at technical maintenance stations, and in many other areas of industry.

The HPR exports farm machinery, plant protection agents and livestock farm equipment to the USSR. The Soviet Union has already become a traditional importer of the Hungarian poultry farming system developed in Babolna. Our foreign trade organizations recently concluded a contract calling for the delivery of a poultry factory (that will operate according to the Babolna system) with a productivity of 10.6 million chicks a year to the Azerbaijan SSR. Negotiations are under way on the use of a Hungarian corn growing technique in the USSR. This is evidence of the high esteem in which the USSR holds Hungarian agricultural accomplishments. It should also be noted that products of the Hungarian sewing, knitwear and footwear industry as well as fresh fruits, canned goods, and wines are also very popular among Soviet shoppers.

The participation of Hungary in the reconstruction of certain Soviet plants in branches in which Hungarian specialists have amassed many years of experience is a new element of Hungarian-Soviet economic cooperation. Thus Hungarians are taking part in the reconstruction of a bus plant in Likino and several Soviet light industry enterprises.

As in relations with other CEMA member nations, in Hungarian-Soviet relations of late a special role belongs to the development of specialization and cooperation in production. This form [of relations] has had an appreciable impact on reciprocal trade. The share of reciprocal deliveries of specialized and cooperatively produced products, which at the present time comprises more than one-third of all trade, is growing from year to year.

Agreements on the specialization of production encompass all branches of the national economy of both countries. Suffice it to mention such agreements as the agreement on the production of alumina and aluminum, the agreement on the exchange of agrochemical products which contemplates reciprocal deliveries of plant protection agents and other chemical products, the agreement on the automotive industry, and the agreement on specialization in the electronics industry, communications and instrument making.

The growth rates of trade in products delivered under agreements on specialization and cooperation in production exceed the growth rate of exchange of traditional goods.

Everything that has been said confirms the fact that our cooperation with the Soviet Union has a certain amount of significance for forming the structure of Hungarian production and foreign trade and plays an important, stabilizing role in the development of our economy.

Trade Between the HPR and European CEMA Member Nations

Long-term trade agreements concluded with other CEMA member nations for 1981-85 called for a more than 30 percent increase in reciprocal trade (in stable 1980 prices). The experience of the elapsed 3 years of the five-year plan and the signing of the trade protocols for 1984 indicate that such growth rates can be achieved only through the more effective use of the potential inhering in reciprocal cooperation (Table 2).

Table 2. HPR Foreign Trade With European CEMA Member Nations (in millions of rubles; in prices of the corresponding years)

	1980	1981	1982	1983
BPR [Bulgarian People's Republic]	236.1	264.8	339.9	407.6
GDR [German Democratic Republic]	1335.2	1413.9	1572.7	1726.2
PPR [Polish People's Republic]	715.1	651.1	784.3	938.3
RSR [Romanian Socialist Republic]	419.5	417.4	419.3	427.3
CSSR [Czechoslovakian Socialist Republic]	1071.9	1122.5	1244.8	1323.2

The deteriorating situation in the capitalist countries' markets, protectionism, and the increasing complexity of the sales problem have also influenced the national economy of our countries: growth rates have declined and capital investments have diminished thereby accelerating the transition to the stage of intensive development. Under these conditions, economic growth is primarily attainable through the intensification of production, the more effective use of existing capacities, and the broader use of technologies that conserve energy and materials.

Trade between Hungary and Bulgaria has developed uniformly in recent years. Machinery and equipment are the principal items of export of both countries: Hungary exports buses, atomic equipment, power-generating equipment, and agricultural machinery. Bulgaria, in turn, exports hoisting-and-conveying machinery and computers.

In the last 3 years, there has been an increase in the value of reciprocal deliveries specified in agreements on production specialization and cooperation. They accounted for 27 percent of all deliveries in 1983. To a considerable degree, they promoted the stabilization of our foreign trade relations. A considerable part of these agreements were for road vehicles and products of the electronics industry.

The HPR's second major trade partner among CEMA member nations after the USSR is the GDR. Even though trade with the GDR in recent years has grown, this growth rate has been lower than the rate indicated in the long-term trade agreement. The principal reason for this is that the volume of capital investments in both countries has declined and therefore at the present time the conditions are lacking for the rapid, mutually profitable trade in machinery which determines the dynamics of growth of all trade. At the same time, we are striving to find the possibility of sustaining trade growth rates by increasing bilateral specialization and by expanding cooperative ties.

Imports of machinery, vehicles, chemical products, and consumer goods from the GDR are very important to our economy while such Hungarian-produced products as buses, fractional fuel engines [fraktsionnyye dvigateli], alumina, aluminum, drugs, and agricultural products find wide application in the GDR.

The value of goods delivered within the framework of bilateral and multilateral agreements on production specialization and cooperation presently comprises approximately one-third of total trade turnover. We should in particular emphasize the importance of cooperation in the production of agricultural machinery, road vehicles, power-generating and electrical equipment and reciprocal deliveries on this basis.

In 1981, trade between the HPR and the PPR temporarily declined, but has again grown dynamically in recent years. There is no long-term agreement for 1981-1985 between our countries. This fact notwithstanding, the present development of trade between the two countries is favorable. In the area of economic relations, it has been possible to identify a number of new possibilities which have to a considerable degree promoted the development of reciprocal trade. Poland occupies second place (after the Soviet Union) in exports of Hungarian buses; drug exports have increased significantly; a new agreement has been assigned on production cooperation in the automotive industry; cooperation in the chemical industry has expanded. The increase in exports of Hungarian agricultural products and consumer goods has helped to stabilize Poland's internal market.

The importing of construction and installation services is a new element in our economic relations with Poland. Several thousand Polish specialists are helping to organize construction operations on apartment buildings thereby

Since 1980 the growth rate of trade between the HPR and the RSR has slackened as a result of cutbacks in reciprocal deliveries of machinery.

Both sides have made no small effort to find new commodities that will conform to the change in demand. They succeeded in determining reciprocal deliveries of such commodities for 1984. Hungary will export more machine tools, instruments and communications equipment. Romania will increase its exports of road vehicles (trucks, passenger cars, underframes, automotive assemblies, and parts).

Prior to 1982, our economic and trade relations were characterized by even, balanced growth rates. However in 1983 the dynamics of Hungarian exports changed slightly. Hungary was not able to increase its machinery exports at the required rate at the same time that its machinery purchases reached a high level.

In addition to reciprocal trade in machinery, an important role in Hungarian-Czechoslovakian trade is played by Czechoslovakian exports of energy carriers [energonositeli], metallurgical products, chemical products, and construction

materials, and by Hungarian exports of food and agricultural products. In the area of consumer goods, there is considerable trade between internal trade organs as well as border trade which has been developing since 1968.

Deliveries of commodities under production specialization and cooperation agreements between the HPR and CSSR comprise more than one-third of [our] total trade turnover. We believe that the level of development of the processing industry [pererabatyvayushchaya promyshlennost'] of our countries offers far greater opportunity for cooperation in this area and that this opportunity must be jointly realized.

Trade With Non-European CEMA Member Nations

The HPR's economic and trade relations with these countries are characterized by common features that in their aggregate determine their volume and content even though the significance of individual component elements may vary from country to country. The features these countries have in common are:

--the transportation problem resulting from the considerable geographical distances involved, and other technical difficulties;

--the level of development of these countries and the limited mix of their export commodity stocks;

--the transformational role of various forms of economic assistance.

The volume of trade indicated in the long-term Hungarian-Cuban trade agreement for 1981-1985 is roughly 70 percent higher than the corresponding indicator in the previous five-year plan. Hungarian exports are developing dynamically for the most part in the form of annually increasing deliveries of spare parts for buses within the framework of cooperation in the area of bus production. The basic item of import is invariably sugar even though the structure of our imports is gradually expanding.

As a result of improvements in the export potential of the Socialist Republic of Vietnam in the last 2 years, our trade with that country is developing dynamically. However, every year the anticipated deliveries are still below the level specified in the long-term trade agreement. The principle reason for this is the SRV's limited possibility of importing Hungarian machinery. In our imports, the decisive role belongs to cooperation in production in light industry. In the interest of the further expansion of trade, Hungary proposes concluding barter arrangements.

Trade with the Mongolian People's Republic is growing uniformly from year to year. Our partner is making considerable efforts to replace its traditional exports of industrial raw materials with semifabricated and finished goods. However this group of commodities still cannot serve as a source for significantly expanding trade.

Economic cooperation between the Hungarian People's Republic and CEMA member nations is a very important prerequisite to our country's steady socialist

development. Foreign trade organizations must also take an active part in discovering additional possibilities for expanded economic cooperation.

We are convinced that the beginning coordination of national economic plans for 1986-1990 will bring new areas of interaction to light. Based on the decisions of the Economics Summit Conference of CEMA Member Nations, it can be expected that direct relations between enterprises will undergo significant development and that all this will promote the further growth of our trade with CEMA member nations.

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CEMA/EASTERN EUROPE

YUGOSLAV TIES TO CEMA REVIEWED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian (signed to press 14 Sep 84) No 9, 1984 pp 33-36

[Article by Belane Kadar, deputy secretary of CEMA: "Economic Cooperation Between CEMA Member Nations and Yugoslavia"]

[Text] As noted at the Economic Summit Conference of CEMA Member Nations, leaders of communist and workers' parties and government heads of fraternal countries deem it essential to continue the consistent development of economic cooperation with other socialist countries that are not members of the CEMA. They proceed from the important role that this cooperation plays in the economic development of each country and in strengthening the position of socialism in the world.

A vivid example of the effectiveness and mutual advantageousness of such cooperation is the interaction between CEMA member nations and the SFRY, the twentieth anniversary of which we are observing.

As is known, the Council for Mutual Economic Assistance--the world's first international economic organization of socialist states--is based on a new type of economic relations and on the principles of fraternal cooperation and socialist internationalism.

Originally a regional organization of European states, the CEMA evolved into an organization uniting 10 socialist countries in Europe, Asia and America. CEMA countries today comprise 10 percent of the world population and produce 33 percent of the world's industrial output and 25 percent of the world's national income.

The goal of the Council for Mutual Economic Assistance is to unify and coordinate the efforts of member nations in such a way as to promote the further intensification and improvement of cooperation; the development of socialist economic integration; the planned development of the national economy; the acceleration of economic and technical progress in those countries; the industrialization of countries with a less developed industry; the continuous growth of labor productivity; the equalization of levels of economic development; and the steady improvement of the well-being of the peoples of fraternal countries.

The Council for Mutual Economic Assistance is of an open nature. Its regulations state that it may invite countries that are not members to take part in the work of organs of the Council or to cooperate with them in other forms. Countries that are not members of the CEMA may participate in the work of the Council and its organs under terms agreed upon with the corresponding countries.

On 17 September 1984, the Agreement Between the Council for Economic Mutual Assistance and the Government of the Socialist Federal Republic of Yugoslavia on the Participation of the SFRY in the Work of CEMA (which was concluded at Yugoslavia's initiative) will be 20 years old. The agreement stated that the SFRY would cooperate within the framework of the CEMA on questions of mutual interest in the area of foreign trade, currency and finance relations, ferrous and nonferrous metallurgy, machine building, the chemical industry, and the coordination of scientific and technical research. It was also specified that a future agreement between the CEMA Executive Committee and Yugoslavia might also define other spheres of mutual interest. The following data attest to the agreement's efficacy: while mutually profitable ties were developing in 7 areas in 1964, the present number is 23.

Economic and scientific-technical relations between the SFRY and the CEMA are based on respect for national sovereignty, independence, the observance of national interests, noninterference in the internal affairs of nations, total equality, and mutual profit.

Today there is cooperation in virtually all key branches of the national economy: machine building and electronics; electric power and the peaceful uses of atomic energy; the chemical, oil, gas, and coal industry; agriculture, transport, construction, etc. The SFRY also interacts with CEMA member nations in the area of planning, statistics and legal issues.

On the basis of signed agreements, Yugoslavia participates in the International Bank of Economic Cooperation and in seven international organizations and economic associations of CEMA member nations: Interatomenergo, Interelektro, Intertekstil'mash, Interkhim, Intermetall, the Organization for Cooperation in the Bearing Industry (OSPP), and the International Shipowners' Association (INSA).

The 1964 agreement entitles the SFRY to take part in sittings of the CEMA Session, of its Executive Committee and other organs. This permits its representatives to become acquainted with questions pertaining to the economic and scientific-technical cooperation of Council member nations on the one hand and to ascertain directions of development of cooperation in which both sides are interested on the other.

The agreement opened up broad possibilities for interaction in production, science and technology. Suffice it to say that to date 120 multilateral agreements and treaties on production specialization and cooperation and on scientific and technical cooperation have been signed between CEMA member nations and Yugoslavia.

A considerable number of these agreements refer to such a progressive and important branch as machine building. In accordance with these agreements, Yugoslavia actively cooperates in the production of metalworking equipment, equipment for atomic power stations, vehicles, ships, instruments, hydraulic and pneumatic assemblies and parts, and medical equipment. The volume of exports of specialized machine building products from the SFRY to CEMA member nations under these agreements rose from \$178 million in 1980 to \$435 million in 1982.

The share of cooperative and specialized products in trade between Hungary and Yugoslavia in the current five-year period, for example, should be 40-50 percent. The development of cooperative relations is particularly successful in the production of motor vehicles.

The 1975 agreement on the participation of Yugoslav machine building plants in the cooperative effort to build equipment for atomic power stations under construction in the Soviet Union plays an important part in the development of cooperation in production between the USSR and the SFRY. Leading Yugoslavian enterprises such as Dzhuro Dzhokovich, Yugoturbina, Litostroy, the Energoinvest Association, and others will supply the USSR with at least \$200 million worth of atomic power station equipment between 1981 and 1985. Accordingly, existing shops at Yugoslavian enterprises were rebuilt and new shops with the latest equipment were built in a relatively short period of time. Soviet documentation was the basis on which certain, most sophisticated types of equipment presently installed at the Novovoronezhskaya, Kursk, Chernobylskaya, and Smolensk atomic power stations in the USSR were developed.

The successful implementation of the agreement established prerequisites for Yugoslavia's participation in international cooperation and in the supplying of atomic equipment to other CEMA countries as well. Under the 28 June 1979 multilateral agreement, Yugoslavia will manufacture emergency and feed-type centrifugal pumps and stainless fittings for atomic power stations in Bulgaria, Hungary, the GDR, Poland, and Czechoslovakia as well.

As is known, the chemical industry is one of the leading branches of the Yugoslavian economy. From the mid-seventies, it has concentrated primarily on developing an optimal product mix with the aid of the cooperation of CEMA member nations. This cooperation began in 1965 when Yugoslavia began participating in the activity of the CEMA Permanent Commission for Cooperation in the Chemical Industry and its working organs.

The entire period of the SFRY's interaction with CEMA member nations in the chemical, pulp-paper and microbiological industry is characterized by the high rate of development of these branches. At the present time, in both the SFRY and CEMA member nations special attention is devoted to those subbranches of the chemical industry that promote the dynamic development of the entire national economy and that contribute to its chemicalization.

The attained level of the chemical, pulp-paper and microbiological industry permits the SFRY to expand and intensify multilateral and bilateral ties with CEMA member nations. Its enterprises and organizations are active participants in 13 agreements (treaties) and 9 protocols on multilateral

economic and scientific-technical cooperation. Another 23 agreements and treaties up to the year 1990 are presently being drafted and coordinated.

SFRY enterprises and organizations that are parties to individual agreements and treaties are making their contribution to the more complete satisfaction of the needs of CEMA member nations for chemical plant protection agents, auxiliary substances for light industry, pharmaceuticals, rubber goods, chemical and biochemical feed additives. and pulp-paper industry products. Yugoslavia in turn imports other chemical products from CEMA member nations. Let us cite the following data to demonstrate the broad scale of foreign trade relations in the given area: between 1970 and 1981, exports of chemical products from CEMA countries to the SFRY increased 13.5 fold (from \$65 to \$876 million) and imports increased 9.7 fold (from \$54 million to \$520 million).

Specialists of SFRY enterprises and organizations are actively participating in the work of sections for petrochemistry; basic organic synthesis; plastics, varnishes and paints; tires and rubber goods; mineral fertilizers; the pulp-paper, microbiological and pharmaceutical industry, etc.

Nonferrous metallurgy is important to the SFRY which has considerable deposits of copper, lead-zinc and antimony ore and bauxite. Within the framework of the CEMA, Yugoslavia cooperates in the extraction and enrichment of this ore, in the metallurgy of heavy and light nonferrous metals and their processing, in nature conservation in the regions where the given enterprises are located, etc. On the basis of multilateral agreements, it specializes in the production of 11 types of semifabricated goods. Representatives of Yugoslavian organizations and institutes are making a considerable contribution to the resolution of problems of scientific-technical cooperation, to the activity of the Tsvetmetobrabotka working group, and to the exchange of progressive experience.

Cooperation has developed at an especially rapid rate in ferrous metallurgy in recent years. It encompasses questions pertaining to the forecasting of the development of the branch up to the year 2000, the improvement of production technology, the organization of repair work, etc. At the present time, several ferrous metallurgy enterprises are being built and rebuilt in Yugoslavia with the aid of the GDR, the PPR and the CSSR.

As already noted, cooperation in electric power production dates back to the year 1964. During the first two years, representatives of the SFRY attended sittings of the Permanent Commission as observers. The 30th sitting of the CEMA Executive Committee granted the SFRY's request to participate in the work of the commission.

Initially, the cooperation extended to only individual problems. There was subsequently a substantial increase in the number of jointly developed topics. According to the commission's plan for 1982-1983, this number was 23 (out of a total 67). They include such important themes as:

- the development of VVER-1000 power blocks and their further improvement;
- the development of methods and means of controlling large-capacity power blocks (200 megawatts and higher) and large electric power stations;
- the development of central heating systems, including the transfer of heat over long distances and the use of accumulated heat; and
- the improvement of operating routines of large automated blocks and electric power stations using solid, including low-calorie, fuel.

The SFRY also participates in the work of the commission's basic working organs.

Broad ties are also being developed on a bilateral basis. CEMA member nations, the USSR in particular, are supplying the basic equipment for electric power stations, especially fuel-fired stations, under construction in Yugoslavia.

Starting in 1981, the SFRY has participated in the work of the CEMA Permanent Commission on Cooperation on the Peaceful Use of Atomic Energy. Yumel, the Yugoslavian electric machine building association, joined the agreement to develop power blocks with 1000 megawatt water-moderated reactors and to develop powerful fast neutron reactors.

Starting in 1975, the SFRY also interacted with CEMA member nations in the area of geology. It is presently participating in the preparation of 17 questions associated with the implementation of the Comprehensive Socialist Economic Program and the DTsPS [special long-term cooperative program] for Energy, Fuel and Raw Materials. It is particularly interested in determining the potential presence of oil, gas and coal; in methods of forecasting and exploring the most important types of minerals; in conserving mineral raw materials; in the remote exploration of the earth; and in automated scientific-technical information systems for geology. Joint research has made it possible to reappraise the nation's coal potential and to determine the optimal, economically substantiated directions of exploration for coal.

Within the framework of the CEMA Permanent Commission for Cooperation in Agriculture, SFRY specialists are taking an active part in the activity of the permanent working group on crop production. Together with their colleagues from CEMA member nations, they study the problem of improving the cultivation of basic agricultural crops. In accordance with multilateral agreements on the specialization of production and the specialization of production and the delivery of varietal seeds and planting stock as well as corn selection, Yugoslavia annually submits 50-60 strains and hybrids of agricultural crops for international testing and conducts tests of its own. Much is also done by its scientists and practical workers and in joint collectives established for this purpose.

Within the framework of the permanent working group on mechanism, there is mutual interest in problems relating to technical equipment and its repair, to

the development of technology for troubleshooting farm machinery, to the implementation of the program of work under the scientific-technical cooperation program for securing the economical and rational use of fuel and energy resources in 1986-1990 and up to the year 2000.

Scientific and technical relations are also developing successfully in the food industry.

Within the framework of the agreement on the development of equipment and technology for the oil and fat industry, Yugoslavian organizations are participating in the elaboration of important themes concerning equipment for the total processing of raw materials with a high oil content by means of direct extraction and improvements in technologies and equipment for producing food fats. In the agreement on the canning industry, the SFRY "sector" is the aseptic canning of fruit and vegetable products. Yugoslav specialists have also made a significant contribution to the resolution of a number of problems regarding equipment and technology in the meat, dairy, confectionary, and sugar industry and in freshwater fish farming.

An important direction in the cooperation is the joint planning of food industry enterprises; the improvement of systems of machines for transporting perishables and on that basis, the reduction of losses and the improvement of the quality of foods delivered from producer to consumer.

Within the framework of the Conference of Leaders of Water Management Organs, the Yugoslavian side is participating in solving the problems of the Tisa River, in particular in the development of a master plan for the total utilization of its water resources, for protecting them against pollution, for flood control, and is also taking part in the preparation of a five-sided agreement on these issues.

The 1964 agreement played an especially important part for the development of foreign trade relations between CEMA member nations and the SFRY. During this period, reciprocal deliveries between them increased 13.2 fold.

The effectiveness of these relations for Yugoslavia is attested to be the fact that Yugoslavia's trade with CEMA member nations is growing faster than its overall trade. Between 1970 and 1983, its trade with CEMA member nations increased 7.2 fold. As a result, their share in SFRY foreign trade has grown significantly (see table).

(1)

	1970	1980	1983
In SFRY trade in general	24.9	35.4	40.5
In exports	32.2	45.0	44.9
In imports	20.6	29.7	36.9

The Soviet Union is Yugoslavia's most important foreign trade partner. In 1983 it accounted for 23.3% of Yugoslavia's total trade and for approximately 58 percent of the volume of trade with CEMA member nations which almost reached five billion rubles. Soviet-Yugoslavian cooperation between 1964 and 1983 developed at a rapid rate--20.1 percent while the average annual growth rate of total USSR trade increased by 12.1 percent.

Czechoslovakia ranks second among CEMA member nations in the volume of foreign trade with Yugoslavia. Reciprocal deliveries between them in 1983 totalled more than one billion rubles--an 18-fold increase compared with 1963.

Trade between Hungary and Yugoslavia is developing at a rapid rate. In the last 3 years alone, it has almost doubled; in 20 years, it has increased 30-fold.

In exports from CEMA member nations to Yugoslavia, deliveries of fuel, raw materials, machinery, equipment, and vehicles are growing at a rapid rate.

Imports of CEMA member nations from Yugoslavia consist primarily of machinery, equipment, vehicles, nonferrous metallurgy products, and manufactured consumer goods.

Machinery and equipment occupy an exceptionally important place in trade between CEMA member nations and Yugoslavia. In recent years, they have comprised roughly one-third of Yugoslavia's exports to CEMA member nations and about one-fifth of its imports.

In 1983, the USSR exported more than 16,000 passenger cars to Yugoslavia; the CSSR exported over 3000 tractors to Yugoslavia. Deliveries of metalcutting machine tools from the GDR to Yugoslavia increased more than 12-fold compared with 1960.

CEMA member nations are rendering technical assistance to Yugoslavia in the construction and reconstruction of a number of major industrial facilities in leading branches of the national economy. Soviet equipment has been delivered exclusively to approximately 70 construction projects.

In turn, CEMA member nations receive 40-50 percent of Yugoslavia's exports of ships, products of the electrical industry, transformers, light and food industry equipment, construction machinery, etc.

A substantial percentage of exports from CEMA member nations to Yugoslavia are in the form of fuel, mineral raw materials, and metals that comprise more than 40 percent of its imports from the given countries. The USSR is the largest supplier of this group of commodities. In 1983, the share of energy carriers [energonositeli] was more than 60 percent of USSR exports to Yugoslavia.

Imports from CEMA member nations satisfy 99 percent of Yugoslavia's need for anthracite; natural gas--98; coking coal--almost 70; brown coal and lignite--60; and oil--more than 40 percent.

CEMA member nations receive 100 percent of all bauxite and alumina exported by the SFRY; zinc concentrate--95 percent; coke--86 percent; lead concentrate--71 percent; and copper--26 percent.

Consumer goods are a basic item of import of CEMA member nations from Yugoslavia. They account for more than 40 percent of the value of Yugoslavia's exports to countries in the socialist community.

Trade between CEMA member nations and the SFRY is based on long-term trade agreements and one-year trade protocols. Deliveries based on agreements on production specialization and cooperation play an increasing role here.

As an open organization, the CEMA makes it possible for cooperating countries to choose the most suitable forms for developing mutually profitable relations with due regard to the interests of the participants, and to expand and intensify contacts in various branches.

Economic relations between CMEA member nations and the SFRY show that equality and mutual gain upon which cooperation is based are an important factor in their stability and dynamism and the guarantee of their successful development in the future.

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CSO: 1825/33

CEMA/EASTERN EUROPE

CEMA ECONOMIC GROWTH DISCUSSED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian (signed to press 14 Sep 84) No 9, 1984 pp 64-67

[Article by Vladimir Il'yenkov, CEMA Secretariat: "Socioeconomic Attainments of Fraternal Countries in 1981-83"]

[Text] The documents of the Economic Summit Conference of CEMA Member Nations held in Moscow on 12-14 June [1984] emphasize the decisive need for primarily intensive factors of economic growth, for the more complete utilization of the national economic potential in order to multiply national wealth, and for strengthening the economy of CEMA member nations.

The joint resolution of the problems that arise and mutual aid are the basis for successfully realizing the assigned tasks.

The transition of CEMA members to intensive development (which began in the early 1980's) is characterized by the accelerated growth rate of their economic development with respect to the basic indicators.

Produced national income--the synoptic economic growth indicator--increased by 8 percent for CEMA member nations as a whole between 1980 and 1983, including the BPR [Bulgarian People's Republic]--13 percent; the HPR [Hungarian People's Republic]--5 percent; the SRV [Socialist Republic of Vietnam]--27 percent; the GDR [German Democratic Republic]; the RSR [Romanian Socialist Republic]; the USSR--12 percent; and the CSSR [Czechoslovakian Socialist Republic]--3 percent.

High growth rates of social labor productivity are the criterion of intensive development. In 3 years of the five-year plan, it increased by 6.7 percent for countries in the socialist community in general, including the BPR--10 percent; the HPR--7 percent; the GDR--11 percent; the MPR--19 percent; the RSR--8 percent; the USSR--10 percent; and the CSSR--3 percent.

Labor productivity in CEMA member nations in 1981-83 accounted for between 75 and 100 percent of the increase in national income. What is more, there was a significant increase in value for every percent of increase in national income compared with the preceding five-year plan. This indicator was approximately 7 billion rubles for countries in the socialist community as a whole in 1981-

1983 compared with roughly 5.5 billion rubles for the first 3 years of the preceding five-year plan.

The basic role in solving the economic construction problems of CEMA member nations belongs to industry. More than 50 percent of aggregate national income is created in industry which employs more than 30 percent of all blue and white collar workers in these countries. In 3 years of the current five-year plan, fraternal countries have scored major successes in the development of industrial production. Between 1980 and 1983, gross industrial output increased by 8 percent, including the BPR--14 percent; HPR--6 percent; SRV--51 percent; GDR--12 percent; Republic of Cuba--35 percent; MPR--33 percent; RSR--9 percent; USSR--11 percent; and CSSR--6 percent.

CEMA member nations are the most dynamically developing group of countries in the world. Notwithstanding adverse world economic conditions in the early 1980's, they sustained progressive development rates and at the same time qualitatively restructured their economies. Countries in the capitalist world, on the other hand, continue to stagnate. The industrial production index of EEC countries in 1983, for example, was four percent lower than the 1980 level.

The growth of labor productivity is the decisive factor in increasing the industrial output of fraternal countries under the current five-year plan. Between 1981 and 1983, it increased by 8 percent for CEMA countries as a whole, in the BPR--11 percent; HPR--13 percent; GDR--11 percent; MPR--4 percent; RSR--7 percent; USSR--9 percent; and the CSSR--by 6 percent. At the same time, the industrial production work force increased by only 1.7 percent during those years, including, for example, the GDR--approximately 1.0 percent; the RSR--4.2 percent (1982); USSR--2.6 percent; and the CSSR--0.8 percent, while in the BPR and HPR it declined by 0.5 and 8.3 percent, respectively. The growth of labor productivity made possible a conditional saving of approximately 3.3 million industrial production personnel, which is more than six percent of the blue and white collar workers presently working in industry in CEMA member nations. The rise of labor productivity in CEMA member nations reflects basic qualitative changes in industry: (1) higher skill levels of the work force and the higher level of organization of labor in production and management; (2) the improvement of machinery and equipment; the introduction of new equipment and technology based on progress in science and technology; economical resource consumption, etc.

Energy and the fuel branches occupy a leading place among branches of industry. Electric power production in CEMA member nations increased by 8.7 percent between 1980 and 1983 and totalled 1879 billion kilowatt-hours. In the BPR it increased by 22 percent; in the HPR--by 7.5 percent; in the GDR--by 6.3 percent; in the MPR--by 13 percent; in the RSR--by 4 percent; in the USSR--by 9.4 percent; and in the CSSR--by 5 percent.

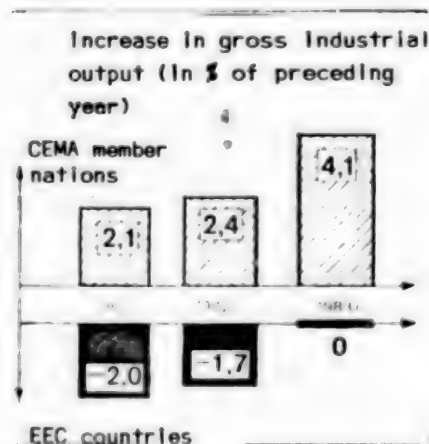
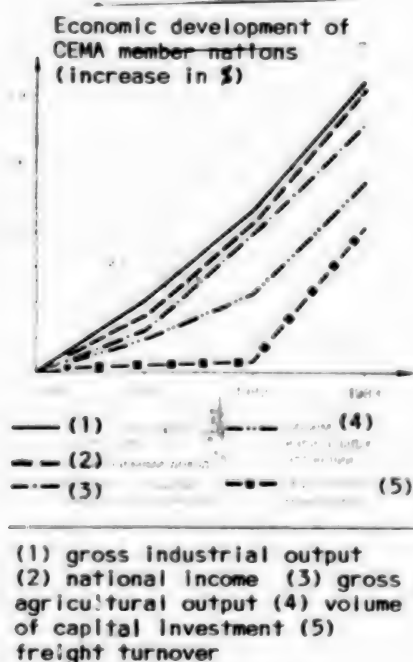
The intensification of the fuel-energy complex is determined by improvements in the structure of the fuel-energy balance--by the large-scale replacement of oil as a fuel for electric power stations by natural gas and inexpensive brown coal.

In 1983, compared with 1981, CEMA member nations produced more than 630 million tons of oil (an increase of 2.1 percent); approximately 560 billion cubic meters of natural and by-product gas (an increase of 22 percent); and 843 million tons of coal (computed in terms of reference fuel)--an increase of 3.2 percent.

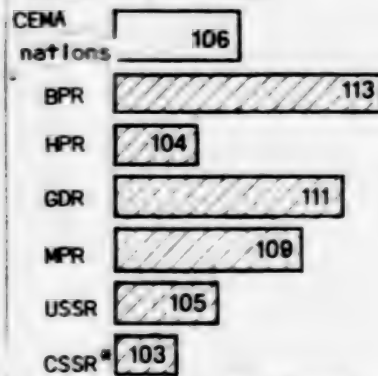
Ever greater importance is attached to the development of atomic energy. This is due to the low cost of production of electric power and heat transfer agents, the ecological purity of production, the need for total conservation of fuel and energy resources owing to their limited reserves and rising world prices.

Total capacity of atomic power stations of CEMA member nations rose from 17,800 megawatts in 1980 to 26,000 megawatts in 1983.

The development of ferrous metallurgy of CEMA member nations under the current five-year plan is along the lines of intensive technical retooling of the branch. Gross output of ferrous metallurgy of CEMA member nations as a whole increased by four percent between 1980 and 1983. More than 210 million tons of steel, 153 million tons of finished rolled metals, and 24 million tons of steel pipe were produced in the third year of the five-year plan. The production of new, effective types of metal products is being expanded and their material- and energy-intensiveness is being lowered.

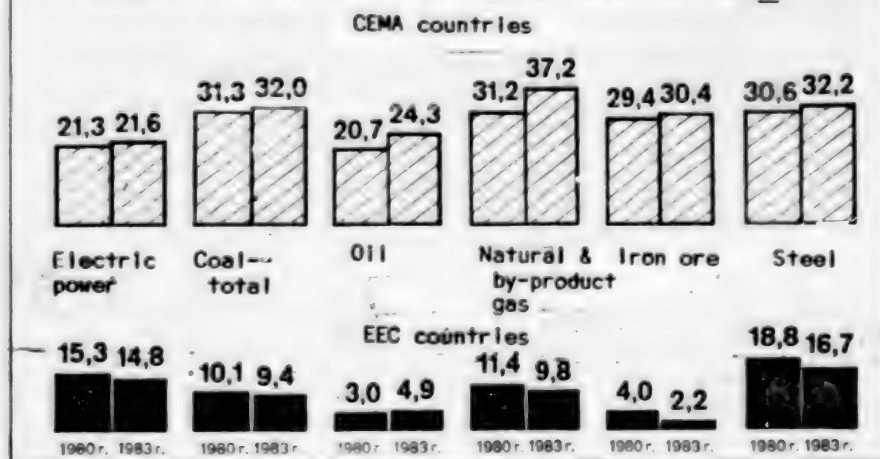


Growth of real per capita
Income of CEMA member nations²
(1983 in % of 1980)



*Money incomes take retail price index into account

Share of production of the most important types of industrial
products in the world by CEMA and EEC countries (in %)



The share of CEMA member nations in the world output of structure-determining branches of industry is growing.

Between 1981 and 1983, CEMA member nations significantly increased their production of the basic types of products in all branches of industry based on improvements in production technology. In a number of branches, microelectronics, for example, the manufacture of a new generation of products without the application of the latest technologies is impossible. In order to introduce the new products it was first of all necessary to develop the appropriate equipment. Therefore the successes attained by CEMA member nations in the development of their industrial production and the increased effectiveness of production are closely associated with the dynamic growth of machine building in these countries.

In 1981-83, the output of machine building and metalworking increased by 16 percent for CEMA countries as a whole. Increases in individual countries were as follows: BPR--29 percent; HPR--11 percent; GDR--19 percent; Republic of Cuba--43 percent; MPR--29 percent; RSR--13 percent; USSR--18; and CSSR--14 percent.

The modernization of manufactured machinery and equipment together with the development of new equipment continues to be one of the most important directions of scientific and technical progress in machine building. Modernization is frequently economically more advantageous because it makes it possible to produce more sophisticated equipment while retaining a considerable percentage of the existing equipment and accessories. Machine building is one of the decisive means of intensification of other branches through broad automation. During the current five-year, the USSR alone increased the production of microprocessors fivefold; microcomputers--twofold; and produced more than 19,500 robots and manipulators.

The rate of development of machine building of CEMA member nations in 1981-83 was twice as fast as the growth of industry as a whole. At the present time, machine building and the metalworking industry in fraternal countries account for more than 28 percent of gross industrial output compared with 26.4 percent in 1980. The measures of the comprehensive program for the priority development of branches that determine scientific and technical progress are thus being realized. Much attention has been devoted to expanding production specialization and cooperation in countries in the socialist community. The relatively more rapid growth of specialized machine building products compared with the growth of branch output in general has been the result of such cooperation. In 1980, the share of exports of these products of CEMA member nations in the total volume of reciprocal exports of machinery and equipment was 32.9 percent; in 1981--34.6; in 1982--37.6; and in 1983--41.1 percent.

The chemical and rubber-asbestos industry is another leading branch in the industry of CEMA member nations that promotes the intensification of the development of the national economy. In the current five-year plan, it enjoys high, stable rates that are 1.5 fold higher than the growth rates of industry as a whole. Gross output of the chemical and rubber-asbestos industry

increased by 12 percent for CEMA member nations as a whole between 1980 and 1983. The corresponding increases for individual countries were: BPR--19 percent; HPR--13 percent; GDR--12 percent; MPR--20 percent; RSR--11 percent; USSR--15 percent; and CSSR--7 percent. In countries in the socialist community, these branches presently account for more than eight percent of total gross industrial output.

The chemical industry is coming to play a more important part in expanding the resource and raw materials base of other branches. The production of such key chemical products as plastics and synthetic resins, chemical fibers, and mineral fertilizers is growing. Between 1980 and 1983, CEMA member nations as a whole increased their production by 16, 9, and 15 percent, respectively. The integration ties of fraternal countries in the development and intensification of their chemical production expand and strengthen with each passing year. This is attested to by the growth of specialization and cooperation of CEMA member nations in this branch. In 1980, the share of exports of specialized products of the chemical and rubber-asbestos industry in the overall volume of reciprocal exports of the branch in CEMA member nations as a whole was 32.8 percent; in 1981--32.1 percent. In 1982, its share increased to 34.7 percent; in 1983--to 35.3 percent.

The construction materials industry has undergone further development. The gross output of this branch has increased by five percent in 3 years of the current five-year plan. In 1983, cement production in CEMA member nations totaled 194 million tons; their share in world cement production is 22.0 percent. The USSR produces 1.5 times more cement than Japan which leads the capitalist world in cement production.

Development of light industry and the food industry in CEMA member nations has been subordinated to the task of securing the more complete satisfaction of the working people's needs for high quality manufactured goods and food. Considerable funds have been allocated for this purpose. For example, in 1983 the USSR allocated 16 percent more capital investments for the textile and knitwear branches and 7 percent more for the food branch than in 1980. This made it possible to put modern, new production capacities into operation on schedule and to improve product quality and mix by using new types of raw materials and supplies.

Based on the example of two branches of light industry--the textile and sewing branches--we can trace trends in its development in general in individual CEMA member nations in the last 3 years of the current five-year plan. Thus the increase in production in the textile industry was 12 percent in the BPR; 1 percent in the HPR; 8 percent in the GDR; 48 percent in the Republic of Cuba; 75 percent in the MPR; 3 percent in the USSR; and 6 percent in the CSSR; in the sewing industry, output increased during the same period by 4 percent in the PRB; by 8 percent in the GDR; by 6 percent in the Republic of Cuba; by 5 percent in the MPR; by 5 percent in the USSR; and by 6 percent in the CSSR.

The branch has a substantially greater opportunity to process higher quality foods and to produce new, high quality caloric foods. In CEMA member nations as a whole, the production of meat in 1983 increased by 1.3 percent compared with 1980; butter production increased by 7.9 percent; vegetable oil production increased by 7.8 percent.

Agriculture plays the main role in resolving the problem of increasing the production of food and of more completely satisfying the growing food requirements of the population of countries in the socialist community. Despite adverse weather conditions in the majority of CEMA member nations in 1981-83, the growth of gross agricultural output in these countries was seven percent for the elapsed period. In EEC countries during the same period, it was only two percent.

The agricultural development of CEMA member nations is influenced to an ever greater degree by intensive factors and especially by the growth of labor productivity. The work force of the branch has grown smaller while its material and technical base has strengthened and expanded. Between 1981 and 1983, the tractor fleet of CEMA member nations increased by 8.3 percent; the area of cultivated land and perennial plantings per tractor declined by 8.8 percent. The aggregate fleet of grain harvesting combines increased by 13 percent.

The branch is actively continuing the concentration and specialization of production based on the creation of new and expansion of existing agroindustrial complexes; is introducing progressive technologies; and is using more mineral fertilizer. On an average yearly basis, CEMA countries in 1981-83 supplied more than 32 million tons of mineral fertilizer to agriculture compared with 29 million tons in the first 3 years of the preceding five-year plan.

The increased stability of agricultural production was expressed in the excess of its average annual volume in 1981-83 by three percent compared with 3 years of the preceding five-year plan.

Measures to intensify this branch of the economy have promoted increases in the production of the basic agricultural product, especially in animal husbandry, which attests to progressive changes in the structure of countries in the socialist community.

The development of the transport system of CEMA member nations is subordinate to the task of handling an ever increasing volume of traffic. In 1981-83, total freight turnover of fraternal countries increased by 4 percent and exceeded 7.2 trillion ton-kilometers. Passenger traffic increased by 7 percent during the same period and totaled more than 1.3 trillion passenger-kilometers. The intensification of the transport system of countries belonging to the socialist community in the elapsed years has been the result of the expansion of the technical equipment of all types of transport, the better organization of its work, and the higher labor productivity of the work force in this branch.

All types of common carrier transport of CEMA member nations continued to develop in 1981-83. The network of international oil, gas, and product pipelines has expanded. In the face of the complex international situation and the policy of "sanctions" conducted by imperialist circles, the gas pipeline connecting Urengoy, Pomary, Uzhgorod, and Western Europe has been put into

operation ahead of schedule in the USSR. The pipeline, the largest of its kind in world practice, will supply natural gas to CEMA western nations and Western Europe for a long time to come. Construction of the Baikal-Amur Railroad Line is nearing completion in the USSR.

Intensification of the economies of CEMA member nations increases their participation in the international socialist division of labor, which reflects the expansion of the foreign trade of fraternal countries. The volume of their reciprocal trade increased by 38 percent in 3 years of the five-year plan and totaled 167.4 billion rubles. Foreign trade of CEMA member nations is a stable factor in their economic development. The excess of its growth rates over the growth rates of branches of material production during the same period reflects the intensification of their socialist economic integration.

The contradictions in trade in countries in the capitalist world are increasing against the background of the intensifying economic crisis and the mounting competitive struggle. This is in particular attested to by the decline in the volume of reciprocal trade of EEC countries in 1983 by 17 percent compared with 1980. And if one takes into account the extraordinarily high rate of inflation in these countries, the actual volume of their reciprocal trade was much lower.

The growth of economic potential and progressive structural changes in the economies of CEMA member nations have promoted the expansion of their joint potential for the more complete satisfaction of the growing material and nonmaterial needs of the working people.

The volume of per capita produced national income, which reflects the quantity of created material values actually placed at the disposal of society with due regard to population growth increased on the whole by 5 percent in 1981-83 for CEMA member nations. Increases for individual countries were as follows: BPR--12 percent; HPR--5 percent; GDR--13 percent; MPR--15 percent; RSR--7 percent; USSR--9; and CSSR--2 percent. The monetary and physical incomes of the population of CEMA member nations have risen. This fact has ultimately been expressed in the general rise in their real incomes.

The rise in the population's money incomes has been accompanied by the expanded supply of consumer goods and by the development of the service sphere. The volume of retail trade (including public catering) in 1981-83 increased by 12 percent in the BPR; in the HPR--by 5 percent; in the GDR--by 4 percent; in the MPR--by 15 percent; in the USSR--by 7 percent; and in the CSSR--by 9 percent.

Payments and benefits to the population of CEMA member nations from social consumption funds increased in 1981-83. The funds satisfy the working people's social needs for education, health care, housing, scholarships, pensions, and grants free of charge. Between 1980 and 1983, social consumption funds increased as follows: in the BPR--by 15 percent; HPR--9 percent; GDR--12 percent; MPR--16 percent; USSR--5 percent; and CSSR--by 16 percent.

Housing--one of the indicators of the living standard--has long ceased to be a problem in CEMA member nations. In 1981-83, countries in the socialist community built approximately 8.5 million apartments and individual houses into which more than 30 million persons have moved.

Unceasing concern is shown for the population's health. Much attention is devoted to the development of public health, to the organization of medical care and recreation for the working people. The network of rest homes, sanatoria, boarding homes, and tourist bases is being expanded.

The plight of the working people is otherwise in the world of capital. Unlike socialist countries where free labor is the principal right guaranteed by the constitutions, in capitalist countries the number of unemployed grows with each passing year. In 1983, there were approximately 28 million unemployed persons in the developed capitalist countries. Last year, there were 13 million unemployed in EEC countries. The number of people out of work increased 1.8 fold compared with 1980. This means that 3 years ago one person in seventeen of working age was unemployed; today the figure is one in ten. The real incomes of the working people have continued to decline in capitalist countries. The inflation rate in EEC countries in 1981-1983 was almost 60 percent, which was substantially higher than the wage growth rate.

CEMA member nations are successfully meeting the targets of the fourth year of the five-year plan. The successes scored by the working people of fraternal countries in peaceful, creative work, in social and cultural development attest to the indisputable superiority of socialism, which is the confident guarantee of future progress.

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CSO: 1825/33

9 April 1985

THE MIDDLE EAST

AGREEMENT ON COMMERCIAL SHIPPING WITH SYRIA

Moscow SOBRANIYE POSTANOVLENIY PRAVITEL'STVA SSSR in Russian No 9, 1984 pp 163-167

[Agreement Between the Government of the Union of Soviet Socialist Republics and the Government of the Syrian Arab Republic on Maritime Commercial Shipping, signed 4 April 1983]

[Text] The Government of the Union of Soviet Socialist Republics and the Government of the Syrian Arab Republic,

proceeding from the mutual desire to strengthen and develop friendly relations in the spirit of the 8 October 1980 Treaty on Friendship and Cooperation Between the Union of Soviet Socialist Republics and the Syrian Arab Republic,

for the purpose of fostering the development and expansion of maritime commercial shipping between the two countries,

have decided to conclude this Agreement.

Article 1

Taking into account the laws, statutes and regulations that are in force in the two countries, the Contracting Sides will do everything possible to foster freedom of commercial navigation and will strive to support and develop international shipping.

Article 2

The Contracting Sides will continue, within the limits of their respective legislation, their efforts to support and develop effective business cooperation and to carry out contracts and the exchange of information between the two countries' government institutions and companies that operate in the area of maritime commercial shipping.

Article 3

Taking into account the laws and regulations in force in both countries, the Contracting Sides agree:

to foster the participation of the Contracting Sides' ships in carrying out operations of maritime commercial shipping between their countries' ports;
to cooperate in the removal of obstacles that might impede the development of maritime commercial shipping operations between their countries' ports;
not to impede the participation of the other Contracting Side's ships in carrying out maritime commercial shipping operations between its own country's ports and the ports of third countries.

Article 4

In all matters not stipulated in the provisions of this Agreement, the Contracting Sides will grant each other most favored nation status in the area of maritime commercial shipping on the condition that this will not affect the privileges and advantages that each Side has granted or will grant to states that are members of regional organizations or associations in which that Side participates.

Article 5

Each of the Contracting Sides will grant the other Side's ships the same treatment that it grants its own commercial ships with respect to freedom of access to ports, with the following qualifications:

- 1) excepting ports not open to foreign ships;
- 2) excepting activities pertaining to national cabotage and maritime fishing;
- 3) excepting regulations that pertain to the pilot guidance of ships in national ports;
- 4) not affecting laws pertaining to the entry and residence of foreigners.

Article 6

The Contracting Sides will carry out, within the limits of their laws and port regulations, all measures to facilitate maritime commercial shipping, to prevent unnecessary delays of ships and, insofar as possible, to accelerate and simplify existing port procedures.

Article 7

Documents attesting to the nationality of ships, tonnage certificates and other ship documents issued or recognized by one of the Contracting Sides will be recognized by the other Side.

The certificates and documents mentioned in this article should correspond to existing international conventions that are in force for both Sides.

Article 8

For the purposes of this agreement, certifications of identity for seamen of ships of the Contracting Sides are:

for seamen on Soviet ships--a USSR Seaman's Passport;
for seamen on Syrian ships--a Syrian Seaman's Passport;

Article 9

Holders of the seamen's certifications of identity stipulated in Article 8 of this Agreement are authorized as members of the crew of a ship of the Contracting Side that has issued the certification of identity to sojourn in the port of the other Contracting Side without a visa during the period of their ship's moorage, on the condition that the ship's captain has provided competent port authorities with an appropriate list of the crew of his ship.

Upon going ashore and returning to their ship, the aforementioned persons will be subject to the border, customs and sanitary control established in that port.

Article 10

1. Holders of the seamen's certifications of identity mentioned in Article 8 of this Agreement are authorized to enter the territory of the other Contracting Side as passengers of any type of transport vehicle or to cross its territory in transit when they are sent to their ship, are transferring to another ship, or are sent to their homeland.
2. In all cases mentioned in Point 1, seamen should have valid visas issued by competent agencies of the other Contracting Side.

Article 11

1. In all matters not stipulated in Articles 9 and 10 of this Agreement, regulations governing the entry, sojourn and exit of foreigners that are in force on the territories of the Contracting Sides apply.
2. Each of the Contracting Sides reserves the right to refuse access to its territory to seamen whom it deems undesirable.

Article 12

1. If a ship of one of the Contracting Sides suffers a disaster off the coast of the other Side, the ship and its cargo will enjoy on that Side's territory the same advantages that are granted to a national ship and cargo.
2. Each of the Contracting Sides will provide the other Side's ships and their crews, passengers and cargo every possible aid and assistance, to the same extent as to its national ships.
3. Cargo and objects unloaded or salvaged from the ship mentioned in Point 1 will not be subject to any kind of tariffs so long as they are not transferred for use on the territory of the other Contracting Side.

Article 13

1. The Contracting Sides agree that the shipment of cargo involved in reciprocal trade will be distributed on an equal basis, taking into account the transport capacities of each Side, including chartered vessels.
2. The provisions of this article do not affect the right of ships under the flag of third countries to take part in shipments by sea between the ports of the Contracting Sides.

Article 14

The Contracting Sides will foster the establishment of delegations of maritime commercial shipping organizations of one Contracting Side on the other Side's territory. The nature and activities of these delegations will be subject to the legislation and regulations of the country of residence.

Article 15

In order to monitor the application of the provisions of this Agreement, a mixed commission will be established that will examine appropriate measures for implementation of the Agreement. The mixed commission will meet at the request of one of the Contracting Sides as necessary. Meetings of the commission will be held alternately in each country.

Article 16

This Agreement is subject to approval in accordance with the legislation of each Contracting Side and will take effect on the day that notes on its approval are exchanged.*

This Agreement will remain in force for two years after the day it takes effect.

It will automatically be extended each time for a new period of one year until one of the Contracting Sides informs the other Side in writing of its desires to terminate its force in 90 days following the expiration of the period in question.

Done in Damascus 4 April 1983 in two original copies, each in Russian and Arabic, with each text having equal force.

for the government
of the Union of Soviet
Socialist Republics

T. B. Guzhenko

for the government
of the Syrian Arab
Republic

Yunis Muhammad

* The agreement took effect 12 December 1983

COOPERATION WITH TURKEY DISCUSSED

Moscow PRAVDA in Russian 20 Dec 84 p 4

[Article by N. Yakubov: "On the Basis of Mutual Advantage: Traditions and Prospects of Soviet-Turkish Economic Cooperation"]

[Excerpts] A new center of ferrous metallurgy was created by the joint labor of Soviet and Turkish specialists in the Southeast of Turkey in the city of Iskenderun. Here a metallurgical plant with a capacity of 1 million tons of steel a year was built. At the present time, work is being completed on the expansion of its capacity to 2 million tons of steel a year.

Possessing significant reserves of high-quality bauxites--the raw material for the production of aluminium, Turkey, in the course of many years, tried unsuccessfully to create its own aluminium industry. The Western countries, to whom it turned for assistance, tried their best to get away from this. Remaining dependent on the capitalist monopolies, Turkey every year spent about 50 million dollars for the import of aluminium and products made from it. And here, with the economic and technical assistance of the Soviet Union, the firstling of the Turkish national aluminium industry grew up in Central Anatolia close to the small village of Seydisehir--a combine for the production of 200,000 tons of alumina, 60,000 tons of aluminium, and 25,000 tons of rolled products a year. This enterprise, to a significant degree, satisfies the requirements of the country.

The oil processing plant on the Western coast of Turkey near the city of Izmir, which was constructed with the assistance of the USSR, is working profitably and highly efficiently. This plant produces 25 percent of the production of the industry in the country. Since the beginning of operation, 35 million tons of petroleum products have been produced at the plant, a part of which is being exported. At the present time, Soviet organizations are providing assistance in the expansion of this plant.

With Soviet economic and technical assistance, the following have also been built: an enterprise for the production of sulphuric acid in the city of Bandirma on the shore of the Sea of Marmara, a plant for the output of fiber boards in the East of the country in Artvin, and an electric power transmission line from the steam power plant in the city of (Seyitomer) to Seydishekhira, which provides power to the aluminium plant.

Power engineering is an important sphere of Soviet-Turkish cooperation in the contemporary stage. For Turkey, which is experiencing an acute shortage of electric power and is trying to utilize its own resources--lignite and water resources, this is of great significance. For this reason, it is devoting a great deal of attention to the construction of power engineering projects which do not depend on the import of power resources. With the assistance of Soviet organizations, the construction of the Orkhaneli steam power plant, with a capacity of 200,000 milliwatts, has begun.

The projects built with the assistance of the economic and technical assistance of the Soviet Union serve peaceful purposes, make a contribution to the strengthening of the Turkish national economy, and increase the potential of many base industries of the state sector. They are conducive to the expansion of the geography of industrial construction, the development of economically more backward regions, the creation of new industrial centers, the fuller development and use of national raw material and labor resources, and the establishment and expansion of production and economic links between different regions of the country. Pointing to this aspect of Soviet assistance, the Turkish newspaper MILLIYET wrote: "In contrast to the economic relations with the West, Soviet-Turkish economic cooperation is directed toward the creation, in Turkey, of enterprises in the leading sectors of industry, ferrous and nonferrous industry, oil processing, and others. This makes it possible not only to satisfy the demand for the most important industrial production, but also to secure a substantial economy of foreign exchange."

Today approximately 30,000 Turkish workers and engineering and technical workers are employed at the projects constructed with the economic and technical assistance of the Soviet Union--which, given the unemployment existing in the country, is of considerable significance.

Special emphasis must also be given to the specific distinguishing features of Soviet-Turkish economic cooperation that are called forth by the immediate vicinity of our two countries. It is well known that the common border represents not only a political, but also an important economic factor. This is indicated by the flow of freight across the border in both directions, which is growing every year.

In 1984 the construction, on parity principles, of the integrated hydroscheme on the border river Akhuryan, which will make it possible to irrigate 50,000 hectares each on Turkish territory and on the territory of Soviet Armenia and will provide an important addition to the harvest in the border regions of our countries.

In October of the current year, a triumphant ceremony took place in the city of Mersin, which was dedicated to the introduction of a plant for the production of bichromate and sodium sulfite. The production of this enterprise is intended for the satisfaction of the requirements of the textile, leather, and petrochemical industries and delivers the country from the necessity of expending freely convertible foreign exchange for purchases of this important type of raw material on the foreign market. In their time, Western countries refused Turkey's request for assistance in the construction of such an enterprise.

The mutually advantageous character of Soviet-Turkish economic cooperation is clearly manifested in the example of the projects that have been, and are being built, in Turkey with Soviet assistance. In payment of the cost of industrial equipment and technical services, Turkey, as a rule, supplies to the USSR commodities of its national production in which our national economy is interested. On the one hand, such relations are indicative of the stability of the cooperation, and, on the other, they stimulate the development of the Turkish economy and are conducive to the increase of its export and the mitigation of the employment problem in the neighboring country.

Not long ago, a Protocol on Commodity Turnover Between the USSR and Turkey for 1985 was concluded in Ankara, which provides for a twofold increase in the volume of mutual trade. Deliveries from Turkey to the USSR will include cotton, olive oil, citric plants, the kernel of hazel-nuts, leguminous plants, malts, live cattle, tobacco, mineral raw material, chemical products, and industrial consumer goods. The Soviet Union will supply various machines and equipment, oil, oil products and other goods to Turkey.

At the same time, it must be recognized that the attained level of trade and economic relations between the USSR and Turkey is far from fully corresponding to the economic possibilities of our countries. The accumulated experience of mutually advantageous Soviet-Turkish economic and technical cooperation irrefutably indicates that its further development meets the fundamental interests of our nations and their aspiration to live in conditions of peace, trust, and good-neighbor relations.

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GENERAL

FOREIGN CURRENCY RATES FOR JANUARY COMPARED

Rares Compared

[Editorial Report] Moscow EKONOMICHESKAYA GAZETA in Russian No 2, January 1985 on page 22 and No 4, January 1985 page 22 carries the exchange rates issued by the GOSBANK under the rubric "Bulletin of Exchange Rates of Foreign Currencies" as of 1 January 1985 and 16 January 1985, respectively.

Currency	Exchange rates in rubles	
	1 January	16 January
Australian dollars per 100	72.37	72.37
Austrian schillings per 100	3.95	3.95
Albanian leks per 100	11.94	11.94
Algerian dinars	16.85	16.85
British pounds sterling per 100	101.60	99.38
Argentine pesos per 100	0.50	0.46
Afghan afghanis per 100	1.67	1.74
Belgian francs per 1,000	13.79	13.89
Burmese kyats per 100	10.16	10.16
Bulgarian levs per 100	100.00	100.00
Hungarian forints per 100	5.65	5.65
Vietnamese dong per 100	10.47	10.47
Ghanaian cedis per 100	1.71	1.71
Guinean syli per 100	3.42	3.42
GDR marks per 100	31.25	31.25
FRG deutsche marks per 100	27.71	27.81
Dutch guilders per 100	24.48	24.62
Greek drachmas per 1,000	6.83	6.83
Danish kroners per 100	7.72	7.78
Egyptian pounds each	1.21	1.21
Indian rupees per 100	6.99	6.99
Indonesian rupiahs per 1,000	0.78	0.82
Iraqi dinars each	2.74	2.74
Iranian rials per 100	0.93	0.93
Icelandic kronas per 100	2.17	2.17
Spanish pesetas per 1,000	5.03	5.03
Italian lira per 10,000	4.48	4.52
Yemen, People's Democratic Republic dinars each	2.47	2.47
Yemer Arab Republic rials per 100	14.46	14.46

Canadian dollars per 100	65.96	66.56
China, People's Republic yuan per 100	30.70	30.70
Korea, People's Democratic Republic won's per 100	69.44	69.44
Cuban pesos per 100	90.00	90.00
Kuwaiti dinars each	2.79	2.88
Lebanese pounds per 100	9.90	9.41
Libyan dinars each	2.94	2.94
Malaysian ringgits per 100	35.10	35.10
Moroccan dirhams per 100	9.36	9.36
Mexican pesos per 1,000	4.18	4.18
Mongolian tugriks per 100	23.92	23.92
Nepalese rupees per 100	5.12	5.12
New Zealand dollars per 100	41.11	41.11
Norwegian kroners per 100	9.60	9.60
Pakistani rupees per 100	5.75	5.75
Polish zlotys per 100	1.45	1.45
Portuguese escudos per 1,000	5.26	5.26
Romanian leis per 100	12.05	12.05
Singapore dollars per 100	39.94	39.98
Syrian pounds per 100	21.54	22.41
Somali schillings per 100	3.28	3.28
U.S. dollars per 100	87.00	87.95
Sudanese pounds per 100	40.64	40.64
Tunisian dinars each	1.04	1.04
Turkish lira per 1,000	2.00	2.00
Uruguayan pesos per 100	1.19	1.19
Finnish markkas per 100	13.34	13.34
French francs per 100	9.04	9.08
Czechoslovak korunas per 100	10.00	10.00
Swedish kronas per 100	9.70	9.70
Swiss francs per 100	33.56	33.13
Sri Lanka rupees per 100	3.27	3.27
Ethiopian birrs per 100	41.56	41.56
Yugoslav dinars per 1,000	4.27	4.27
Japanese yen per 1,000	3.49	3.46

Early January Changes

[Editorial Report] Moscow EKONOMICHESKAYA GAZETA in Russian No 2, January 1985 on page 22 carries a 150-word article by Ye. Zolotarenko entitled "Our Commentary" which states that 10 exchange rates were changed by the USSR GOSBANK as of 29 December. Among declines noted are the British pound sterling, the Argentine peso and the Swiss franc. The American, Canadian and Singapore dollars, the Deutsche mark, French franc and Japanese yen rose. The article also notes that since 1 January 1985, a new value for the Bulgarian lev has been established.

Zolotarenko notes that among the changes in currency quotations, the weakening of the pound sterling, which fell to a record low of 1.157 dollars per pound was particularly serious. The drop of the pound is attributed to the unfavorable prospects for North Sea oil prices.

The price of gold on the world markets is noted to have dropped again during the second half of December. Gold sold for 307-312 dollars per ounce as compared with 325-330 dollars per ounce at mid-month.

Mid January Changes

[Editorial Report] Moscow EKONOMICHESKAYA GAZETA in Russian No 4, January 1985 carries on page 22 a 300-word article by Ye. Zolotareno entitled "Our Commentary," which states that as of 16 January the USSR GOSPLAN altered the exchange rates of 18 foreign currencies. Currencies noted as declining were the British pound sterling, the Argentine peso, the Italian lira, the Swiss franc and the Japanese yen. The Afghan afghani, the Belgian and French francs, the Deutsche mark, the American, Canadian and Singapore dollars, and the Indonesian rupee rose in value.

The article notes that in the first half of January the main events on the currency markets revolved around the British pound sterling, whose gradual weakening gave way to a massive sale of pounds, resulting in a drop in value from 1.15 to 1.1 dollars per pound or by 4.4 percent. The immediate cause of the massive sale of pounds is attributed to the news of the enormous losses in the fourth quarter of 1984 suffered by the U.S. branch of England's Midland Bank (Crocker National Corporation). However, the underlying cause of the pound's weakening is attributed to the prospect of lower oil prices at a time when the British trade balance deficit, excluding oil revenues, reached the enormous sum of 11 billion rubles. The article notes that the raising of the basic interest rates by 1 percent, up to 10.5 percent by the largest British banks turned out to be insufficient to forestall a large withdrawal of capital. The article further notes that under these conditions the Bank of England had to restore minimal interest loan rates to 12 percent which had been suspended in October 1981.

The price of gold on the world markets is noted to have fluctuated at around 300 dollars per ounce.

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